

Message Text

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PAGE 01 SEOUL 01523 01 OF 02 071701Z

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ACTION EB-07

INFO OCT-01 EA-10 ISO-00 /018 W

----- 071083

R 070845Z MAR 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 8724

INFO USDA FAS WASHDC

UNCLAS SECTION 1 OF 2 SEOUL 1523

USDA FAS FOR COMM EXPORT PROGRAMS (EPD) AND DUDLEY
WILLIAMS

E.O. 11652: N/A

TAGS: ETRD, KS

SUBJ: COTTON CONTRACT PROBLEM

REF: (A) STATE 042282 (B) 044296 (C) SEOUL 1043 (D) STATE
258539 (E) SEOUL 8092 (F) SEOUL 1106 (G) SEOUL 348

SUMMARY: SWAK IS PREPARING REPORT ON COTTON USANCE CREDIT,
AS REQUIRED BY CCC. SWAK ADVISES THAT L/C'S HAVE BEEN
OPENED FOR 4.9 MILLION FROM THE 2ND 50 MILLION CCC CREDIT
LINE AND THAT L/C'S FOR 42.1 MILLION DOLLARS OF THE 45.9
MILLION USANCE LINE HAVE BEEN UTILIZED. REPORT HOPEFULLY
WILL BE READY WEEK OF MARCH 10.

1. LETTER FROM EPB OUTLINED IN PARA 1 OF REF A WILL BE
FORTHCOMING UPON COMPLETION OF REPORTS NOW UNDER PREPARATION
BY MILLS. CONTENT OF REF A HAS BEEN SENT TO MILLS BY
SWAK AND MILL REPORT WILL COVER STATUS L/C OPENINGS UNDER
SHIPPERS USANCE AS OF MARCH 3, 1975. MILLS HAVE BEEN
REQUESTED TO FILE REPORT WITH SWAK BY MARCH 8. REPORT WILL
INCLUDE: (A) DATE L/C OPENED (B) L/C NUMBER (C) NUMBER OF
BALES (D) VALUE OF BALES BROKEN DOWN INTO COMMODITY VALUE,
AMOUNT OF INTEREST AND TOTAL VALUE. (E) NAME OF U.S. SHIPPER
(F) CONTRACT NUMBER (G) DATE OF CONTRACT. IN ADDITION, COPIES
OF ALL L/C'S FOR USANCE CREDITS WILL BE FURNISHED, AS REQUESTED
IN PARA 2 OF REF A. COMPOSITE REPORT WILL BE CERTIFIED BY
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PAGE 02 SEOUL 01523 01 OF 02 071701Z

EPB AND FORWARDED TO USDA WHEN READY.

2. ACCORDING PARA 3 OF REF A, USDA WILL NOT REGISTER SALES BY U.S. SHIPPERS AGAINST 2ND \$50 MILLION CCC CREDIT UNTIL REPORT DESCRIBED IN PARA ONE ABOVE HAS BEEN PROVIDED BY ROKG. ASSUME THIS REFERS TO BALANCE OF 40 MILLION CCC CREDIT AND EXCLUDES DOLLARS 10 MILLION NOTED PARA 3 OF REF D.

3. SWAK IS RECOMMENDING ALLOCATIONS TO MEMBER MILLS OF FIRST 10 MILLION DOLLARS FROM 2ND 50 MILLION CCC CREDIT LINE IF SUCH MILL HAS COMPLETELY UTILIZED ITS SHARE OF 45.9 MILLION USANCE ALLOCATION FIRST PRESENTED IN REF E AND RECENTLY ADJUSTED BY SWAK AS FOLLOWS:

KYUNGBANG	\$2,878,000	NO CHANGE
DONGIL	3,286,800	NO CHANGE
CHONGBANG	2,325,242	
TAIHAN	5,766,995	
CHOONGNAM	5,414,000	
DAINONG	13,272,400	NO CHANGE
PUNGHAN	2,369,200	
ILSHIN	2,520,800	NO CHANGE
PANGNIM	- DELETE -	
SAMHWA	2,397,200	
HANIL	2,166,000	
KUKJE	1,486,695	
YOUNGHWA	1,333,334	
YOUNGNAM	683,333	
TOTAL	\$45,900,000	

4. SWAK HAS ADOPTED A PROCEDURE OF RECOMMENDING UP TO 60 PERCENT OF AMOUNT ALLOCATED TO INDIVIDUAL MILLS AS SHOWN PARAGRAPH 1 OF REF F ON FIRST COME, FIRST SERVED BASIS, PROVIDED MILLS HAVE USED THEIR SHARE OF 45.9 MILLION USANCE FUND. AS OF MARCH 7, USE 6.9 MILLION DOLLARS AGAINST THE FIRST 10 MILLION DOLLARS TRANCHE OF 2ND 50 MILLION DOLLARS CCC CREDIT STOOD AS FOLLOWS: (THE 4.9 MILLION DOLLARS IN L/CS COVERED 13,000 BALES OF COTTON)

VALUE RECOMMENDED
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PAGE 03 SEOUL 01523 01 OF 02 071701Z

MILL	BY SWAK	VALUE L/C'S OPENED
KYUNGBANG	-	-
DONGIL	-	-
CHUNBANG	-	-
TAIHAN	-	-
CHUNGNAM	3,873,141	2,386,713
DAINONG	-	-
PUNGHAN	677,274	677,274

ILSHIN	591,385	591,386
PANGLIM	516,780	-
SAMHWA	1,219,456	1,219,455
HANIL	-	-
KUKJI	-	-
YUNGHWA	56,149	56,149
TOTAL	NOERNQIT	4,930,979

5. SWAK HAS UPDATED INFO IN PARA 4 OF REF G. FOLLOWING
IS STATUS OVERDUE CONTRACTS AS OF MARCH 5, 1975. TABLE
BELOW ANSWERS QUESTION RAISED IN PARA 4 OF REF B.
QUANTITY IN 1000 BALES, VALUE IN MILLION DOLLARS.

MONTH	CONTRACTED	L/C OPENED	PAST DUE	BALES	VALUE	BALES	VALUE	BALES	VALUE
1/74	109.8	21.9	109.8	21.5	NIL	0.4			
2	75.6	17.7	114.7	27.7	-39.1#	-10.1#			
3	40.5	10.6	18.2	4.2	22.3	6.5			
4	30.5	7.6	13.5	3.2	17.0	4.4			
5	31.7	8.5	9.6	1.9	22.0	7.5			
6	83.2	26.3	101.5	31.8	-18.3#	-5.5#			
7	22.3	6.4	3.4	1.2	18.9	5.2			
8	14.6	7.3	6.3	1.9	8.3	2.3			
9	13.2	3.8	5.7	2.0	7.4	1.8			
10	101.2	33.1	18.8	5.2	82.3	27.9			
11	66.6	20.6	54.6	17.2	11.8	3.3			
12	114.6	35.1	71.4	21.9	43.2	13.1			
CY74	703.8	195.9	527.7	139.8	175.8	55.9			
TOTAL									

CONTRACTS EXTENDED TO 1975---81.8 -27.9
CONTRACTS OVERDUE AS OF DEC 31 94.0 28.0
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PAGE 04 SEOUL 01523 01 OF 02 071701Z

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PAGE 01 SEOUL 01523 02 OF 02 071721Z

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ACTION EB-07

INFO OCT-01 EA-10 ISO-00 /018 W

----- 071448

R 070845Z MAR 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 8725

INFO USDA FAS WASHDC

UNCLAS FINAL SECTION OF 2 SEOUL 1523

USDA FAS FOR COMM EXPORT PROGRAMS (EPD)IAND DUDLEY

WILLIAMS

E.O. 11652: N/A

TAGS: ETRD, KS

SUBJ: COTTON CONTRACT PROBLEM

1/75	199.9	60.2	79.0	21.1	120.9	39.1
2	54.3	16.5	48.8	13.3	5.5	3.2
3	125.8	35.0	1.0	0.3	-	-
4	30.6	9.3	0.6	0.1	-	-
5	42.3	11.8	-	-	-	-
6	34.4	11.3	-	-	-	-
7	15.4	5.3	-	-	-	-
8	14.3	4.6	-	-	-	-
9	5.1	1.4	-	-	-	-
10	(103.7)	ON CALL	-	-	-	-
11	8.0	2.7	-	-	-	-
12	43.0	3.3	-	-	-	-
	573.1	161.4	129.4	34.8	211.5	70.3
	(676.8)					

#NOTE: CARRYOVER DECEMBER 31, 1974

6. BY MARCH 15 SWAK EXPECTS TO RECEIVE COMPLETE STATUS REPORT FROM MEMBER MILLS ON 1ST 50 MILLION CCC CREDIT. SWAK WILL FOREWARD TO USDA COMPREHENSIVE BREAKDOWN VIA OFFICE AGATT AND CABLE TO CCC ANY CHANGE ADVISE ON GSM REGISTRATIONS.

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PAGE 02 SEOUL 01523 02 OF 02 071721Z

7. WE HAVE JUST BEEN ADVISED THAT SWAK HAS MADE APPLICATION TO ROKG FOR APPROVAL OF A 50 MILLION DOLLAR 12 MONTHS USANCE CREDIT LINE TO BE USED TO FINANCE COTTON IMPORTS FOR USE IN MANUFACTURE COTTON PRODUCTS FOR DOMESTIC USE. THIS IS NOT TO BE CONFUSED WITH THE 45.9 MILLION SHIPPERS USANCE OR THE TWO CCC 50 MILLION DOLLAR CREDIT LINES. APPROVAL EXPECTED

BY END MARCH. ALLOCATION BY SWAK MEMBER MILLS ARE AS FOLLOWS:

DOLLARS

KYUNGBANG 3,014,880

DONGIL 3,963,840

CHONBANG 5,223,600

DAIHAN 5,763,600

CHOONGNAM 4,326,720

DAINONG 12,508,320

PUNGHAN 2,470,560

ILSHIN 3,027,840

PANGRIM I 4,274,880

SAMHWA 1,567,200

HANIL 1,858,560

KUKJE 666,667

YOUNGHWA 666,667

YOUNGNAM 666,666

50,000,000

THIS CREDIT WILL FINANCE AN ESTIMATED 150,000 BALES.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, CREDIT, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Margaret P. Grafeld
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05 JUL 2006

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Status: NATIVE
Subject: COTTON CONTRACT PROBLEM
TAGS: ETRD, KS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006